

**City of Falls Church
Economic Development Authority
FINAL Meeting Minutes
Tuesday, January 9, 2007– 6:30 p.m.
Training Room
Level G, City Hall**

I. Call to Order

Ed Saltzberg called the meeting to order at 6:55 p.m.

Present:

EDA Board Members: Ed Saltzberg, A.C. Miller, Warren Cohen, and Bruce Swenson (arrived at 6:55 p.m.)

Excused: Bob Butchko; Barry Buschow (Barry informed staff that he might arrive at around 9:00 p.m.)

ED Staff: Rick Goff, Becky Witsman, and Lovey Testa

Others Attending: None

II. Petitions from the Public (5 minutes per petitioner) - None

III. Petitions from the Board (5 minutes per petitioner) - None

IV. Approval of December 2006 Minutes

V. New Business

a. EDA Advisory Board

EDA Chairman Ed Saltzberg informally started the meeting at 6:34 p.m. Mr. Saltzberg stated that the EDA members think that David Tarter is a good choice for the EDA board vacancy because of his background in real estate law.

Advisory Board

The board talked about how an advisory could be integrated with the EDA, thereby adding professionals with a variety of skills. The members of this advisory board would be considered technical advisers of the EDA and would be invited to attend the monthly EDA meetings, but will not be allowed to participate in any closed session meetings. The EDA talked about advertising three slots in which one could possibly be filled by Mike Kearney, and others from other fields, e.g, broker, retail consultant, financial consultant, or someone who has experience working for another EDA. Mr. Kearney was initially a potential candidate for the EDA vacancy, but expressed his preference in having more of an advisory position. His professional background is in the developer/construction field. A.C. Miller said he knows of some developers who would be good candidates for this advisory board. The Board members agreed that a description of this advisory board should be drafted, which would include

defining the requirements for the three positions. Ed Saltzberg said that Barry Buschow should draft the description, as part of his assigned tasks.

b. City Center Board Representative

Economic Development Director Rick Goff informed the EDA that City Council is interested in forming a group composed of representatives from Council, the Planning Commission, the EDA, etc. to advise staff and their respective groups on issues related to City Center. Warren Cohen was chosen as the EDA's representative with Ed Saltzberg as the alternate.

Bruce Swenson arrived at 6:55 p.m. Mr. Saltzberg formally called the meeting to order.

Ed gave Bruce a brief overview of what had been discussed prior to his arrival.

VI. Old Business

a. EDA 2007 "Wish List"

Ed Saltzberg suggested going over the Wish List and talking about which items they would like to retain. The discussion focused on the following items:

- ❑ *What needs to be done to initiate development in the Gordon Road area that includes the city's property yards and other city operations? One of the buildings there would be ideal as an arts/artisan space.*

The discussion centered on the complexity of the matter because of the number of landowners in the area, as well as jurisdictional issues that could arise since part of that area falls under Fairfax County. The EDA members would like to be more pro-active by staying in touch with the landowners. One of the board members surmised that although the area has huge development potential, it probably will not get developed as quickly as the other sites in the City.

- ❑ *Have an "outreach" program; beefing up the programs that Becky and staff are working on. Pushing **branding** in the City, i.e., how to better brand the City.*

Ed Saltzberg said this matter is more of Bob Butchko's responsibility. They will ask for him to clarify this in next month's meeting.

- ❑ *Have decision criteria all in one place to apply to new projects. Include elements from the Fuller "Big Picture" Study, the Retail Compass Studies, recommendations from the transportation consultants, and seek guidance for office user and restaurant recruitment strategies.*

Ed Saltzberg inquired if the Planning staff would be interested in participating in this endeavor. Rick informed the board that the Planning staff is currently busy working on an RFP to rewrite the zoning ordinance that will include guidance from the retail and Big Picture studies. Ed clarified that this item is not about making decisions, but rather capturing the principles contained in the reports. Bruce Swenson suggested hiring someone to collect all of the reports made about developing Falls Church and provide a synopsis of each report. Warren Cohen recommended hiring an intern from George Mason University, possibly a graduate student of Dr. Stephen Fuller, the professor who presented the "Big Picture" Study in 2005. Given City Hall space constraints and staff's limited capacity to supervise an intern with other demands and priorities, the board offered to pursue this task independently.

- ❑ *Spruce up the appearance of the downtown/commercial area, i.e. signage, streetscapes, etc.*

Becky Witsman, Business Development Manager, informed the EDA that she and Rick will be meeting with a retail architect next week. They will try to identify ways of helping current business owners in the City, to complement the EDO's project of attracting new businesses. She and Rick will also be attending the ICSC (International Council of Shopping Centers) 2007 Mid-Atlantic Idea Exchange in March.

- ❑ *Address in a defensible way the ongoing Council question about net revenue expectations for new projects per acre on commercially zoned sites. One answer is not likely to fit all situations.*

Rick Goff suggested that this issue should be re-examined and be put to rest. This is in reference to how one Council member often refers to a statement made by Ed Saltzberg from a meeting in the past that mixed-use development projects should produce \$350,000 in revenue per acre for the City. Ed clarified that he actually said \$250,000. He offered to talk to this Council member and request not to use that figure as a benchmark whenever Council has to evaluate proposed development projects.

b. Developer Forums: Structure & Scheduling

Ed Saltzberg stated that the purpose of these forums was to educate the EDA, elected and appointed officials, and the public about development projects, from the standpoint of a developer. The EDA also invited developers to take a tour of the City with staff. Some of the topics discussed in these forums were how to approach retail, development policies, etc. Some EDA members said parameters should be defined for these forums and that developers should be asked what they would like to talk about. A.C. Miller said that the main focus should be business attraction, and that he would prefer to continue what was done in the past. Those present in the meeting agreed that David Tarter should be asked to take the lead in this task. Warren Cohen suggested keeping the City Council liaison to the EDA, David Chavern, informed about this forum. Ed said he would like to include this forum in next month's EDA meeting, possibly even advertising it in the E-Focus.

VII. Staff Reports

Rick Goff reported that Becky Witsman and Senior Administrative Assistant Lovey Testa did some research on grant guidelines, at the request of EDA member Barry Buschow. Becky and Lovey prepared some handouts, and Lovey gave a brief overview of the list of possible grant criteria that the EDA could adopt. Warren Cohen suggested that Lovey re-write the goals, although the EDA should first decide on the guidelines and approval process. Warren took the lead in going through the bullet points in the list.

Evaluation criteria – Some EDA members wanted to make this item broad, and that the activity/project should support the mission of the ED staff in the long-run, e.g., interfacing with developers, working on current and future projects, etc.

EDA'S goal for giving out a grant– The primary goal should be to benefit economic development in the City. The EDA also wanted to leave this item broad.

Application process – An application form must be completed by the applicant. Submission of grant applications must be made in a timely manner. The board recommends submitting the application form

and other supporting documents one month prior to an EDA board meeting, so that the EDA can evaluate its merits. The EDA will vote to decide whether or not to approve the application at the following monthly meeting. The application process/schedule could be posted on the City website.

Reporting requirements- The applicant would have to provide specific information, e.g., how their activity/project is relevant to economic development, how they plan to accomplish their objectives, etc. In the same manner, the applicant/grant recipient would be required to submit a report after their activity/project to find out if their activity was successful and if it was able to achieve the EDA requirements.

Amount available per year – Some EDA members would rather not have a limit on the amount of grant money. They are not in favor of setting aside grants, i.e., the EDA reserving a certain amount in an EDA grant account. The problem arises when people find out that there is still some money left, and would scramble to try to get some of the money for their projects, which may or may not benefit economic development.

Expenditures – The applicant should prove that the expenditures of their activity/project are geared towards the promotion of economic development in the City.

Reimbursement and/or submit receipts – This would depend on the type of grant that the EDA will decide to allocate. A possible option would be to give the grant money after the event.

At this point, a board member suggested that the EDA should focus on other matters in the meeting. He would prefer to continue the discussion about grant criteria online with the rest of the board members.

a. Development Projects

Rick informed the EDA that City staff is working with SRA International, Inc. for a proposal that would provide conflict resolution and citizen participation training, structure and meeting facilitation for the City. Ed Saltzberg suggested that the City Council members should also be included in these training sessions.

The initial application submitted by Atlantic Realty Companies (ARC) for the City Center project was incomplete. City staff has met with ARC representatives to address this matter; staff will likewise have an internal meeting every week on the City Center project. ARC is continuing to move forward in submitting its completed application. If all goes on schedule, the first step will be for ARC to attend a joint Work Session with City Council and the Planning Commission.

The City has signed a contract with consultant Eric Smart of Bolan Smart Associates, Inc. The firm will provide consultation services on the sale of real estate property for City Center and on related strategic issues.

Also, the City may initiate another contract with retail consultant Heather Arnold of Retail Compass, LLC for City Center related retail issues.

Atlantic Realty requested several weeks ago that it perform some geotechnical tests in the property where Two Sisters Coffee is located, as well as on the Post Office parking lot.

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City staff has been coordinating with the Post Office broker to find a possible relocation site within the City for their “retail” function.

Akridge is still working on its proposal for their “Gateway” project on North Washington. They are hoping to submit their proposal by the end of this month.

Hekemian’s proposal should be submitted this week. They want it to be included in the January 29 City Council Work Session.

Bob Young’s project will be presented in the Board of Zoning Appeals on January 10, 2007.

City staff recently met with representatives from the Columbia Baptist Church. The church needs more parking, which they would like to build underground on their property. They would also build a for-profit mixed-use development above the parking lot. This proposed project would involve demolishing three houses owned by the church. Columbia Baptist also plans to build a “family life center”.

Becky Witsman started her report by showing the program for Watch Night. She and Rick have heard from those who attended the event that it was a success. There was some discussion on the invoice that the EDO initially received from Hop on Pop’s MoonBounce via the Chamber, which provided the props for Watch Night. To help simplify the payment process, the Chamber would pay Hop on Pop’s MoonBounce, and the EDA will reimburse the Chamber in the agreed upon amount of \$2,000. Some of the EDA members were displeased to learn that the EDA will be reimbursing for the props, which does not directly address the objective of promoting economic development. This was a concern pointed out by some of the board members during the previous meeting.

Becky also distributed copies of the January 4, 2007, edition of the E-Focus. The cover article entitled, “Bright Prospects for City Businesses in 2007 and Beyond”, reports on the recent Atlantic Realty announcement of the City Center project, the EDO’s commercial space database online, etc.

Penzeys Spices is going to open a store in one of the retail spaces at The Byron. Penzeys is a gourmet store that sells over 250 spices, seasonings, and herbs.

For the EDO’s Business Expansion and Retention (BEAR) program, Becky and Lovey visited the new Vietnamese noodle house, Pho 88.

Becky mentioned that the Chamber Gala is scheduled on March 10th, and will be held at the Clarendon Ballroom.

She and the Towing Group, composed of City staff and residents, continue to work on the Towing Ordinance.

Becky talked about the office vacancy rate in the City. According to Co-Star, we are currently experiencing a 10 percent vacancy rate. Such reports appear to have skewed the actual numbers, not taking into consideration that there are some buildings that will be demolished for new development. After accounting for those kinds of considerations, the more reliable City office vacancy rate is probably somewhere around 5%.

Ed Saltzberg inquired about the Spectrum's retail component. Becky said that she has been trying to contact the developers, since there has been no information yet as to which retailers will be going in the Spectrum.

b. Business Assistance Activities

c. Upcoming Meetings

The next EDA Board Meeting is on February 6, 2007, in the Training Room.

VIII. EDA Member Reports

IX. Other Business

Rick reminded the EDA that the financial reporting of Boards and Commissions is due on January 16th. On the other hand, the Boards and Commissions Summit will be scheduled either on March or April of this year.

X. Adjournment

Warren Cohen moved to adjourn the meeting at 9:00 p.m. This was seconded and approved.